

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOSEPH)
KRASNEC from the decisions of the Board of)
Equalization of Kootenai County for tax year 2006.) APPEAL NOS. 06-A-2525,
06-A-2526 AND 06-A-2527
FINAL DECISION AND ORDER

VACANT LAND APPEALS

THESE MATTERS came on for consolidated hearing December 14, 2006, in Coeur d'Alene, Idaho, before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Joseph Krasnec appeared for himself. Assessor Mike McDowell and Appraiser Steve Hagler appeared for Respondent Kootenai County. These appeals are taken from the decisions of the Kootenai County Board of Equalization (BOE) denying the protests of the valuation for taxing purposes of property described as Parcel Nos. 49N04W326450, 48N04W060500 and 48N04W053000. The County BOE provided Appellant with a very brief hearing opportunity regarding the subject assessments.

The issue on appeal is the market value of three vacant land parcels.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

This case involves the 2006 assessment on three contiguous, commonly-owned, vacant rural tracts (parcels.) Details follow.

<u>Parcel No.</u>	<u>Acres</u>	<u>County Value</u>	<u>Taxpayer Value</u>
49N04W326450	13.952	\$119,712	\$59,000
48N04W060500	15.699	\$130,194	\$66,000
48N04W053000	39.500	\$255,000	\$137,000

The properties are located about 12 miles south of Coeur d'Alene, Idaho. The rural area has diverse property types and uses. Appellant characterized the 39.5 acre parcel as the mainstay of the three properties. The other two were described as ancillary to, and the access for, the larger parcel should that ever be developed. The County appraised each parcel

separately where each was considered capable of supporting a residential site (structure.)

These appeals are brought particularly in response to the substantial, 100%-plus, increase in year-to-year assessed values on subject parcels. Appellant has owned the parcels for many years, and reported such substantial increases had never before occurred. Mr. Krasnec reported 10-15% assessment increases in other Idaho counties and contended there was no basis for Kootenai County's large 2006 increase in subjects' values. No additional information was provided, Appellant seeks to discover and understand the information purportedly underlying subject assessments.

Appellant's value claims were based on a roughly 10% increase over the prior year assessed values. No sales were presented in support of the value claims, due to a lack of recent sales activity. Appellant maintained the market has stated to cool off. Appellant contends the County assessments are based on subjective manipulations of data and that they are arbitrary.

The Assessor reported subjects were reappraised, i.e. fully appraised including site inspections, for the 2006 tax year. Only local area sales were used in the market analysis. Older sales were time-adjusted two-percent (2%) per month to bring them current with the 2006 assessment date. The time adjustment was based on information reported by the Multiple Listing Service.

Evidence on 14 sales was presented in support of the land schedule developed and relied on in assessing subjects. Each lot had a 1-acre, "base site value" of \$60,000 (reflecting an average view), and the remaining acres were assessed at \$6,000 per acre based on a matched-pairs sales analysis. The base site value was derived from an extraction calculation. Adjustments to the base value were considered for the presence, or lack thereof, of various value

factors, such as access and topography.

Respondent conceded part of the assessment/appraisal process is subjective. However it was contended all State laws and rules were followed and that subject assessments were thus not arbitrarily arrived at.

The County presented extensive exhibit materials in support of its value cases. Appellant did not present any additional documentary material at hearing.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Market value for assessment purposes is defined in Idaho Code § 63-201(10):

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment. (Idaho Code § 63-201(10))

Taxable property must be assessed at current market value each year. For the 2006 tax year, that assessment date was January 1, 2006. County sales information and related analyses reflected the timing standard and value definition. The Board's review of the County appraisal work does not find any errors or inconsistencies with State law. The assessments were not found to be arbitrarily arrived at. To the contrary the land value analysis was quite detailed and closely referenced to available sales.

An Appellant challenging the value determination of the County Board of Equalization

must prove by a preponderance of the evidence that an assessment is in error. Taxpayer's value cases were largely based on opinion or assertion. Evidence of changes in assessed values for property in other counties is not considered to be good evidence of market value. There was no demonstration by Appellant that details on recent, proximate and comparable property sales was considered in arriving at the subject value claims. The Board finds the legal burden of proof has not been met. Idaho Code § 63-511(4). Therefore the value decisions of the Kootenai County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Kootenai County Board of Equalization concerning the subject parcels be, and the same hereby are, affirmed.

DATED this 1st day of May 2007.